



**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**Federal Crop Insurance Corporation**  
**NURSERY CROP PROVISIONS**  
**PILOT NURSERY GROWER'S PRICE ENDORSEMENT**  
(This endorsement is not continuous; it must be renewed annually.)

In return for payment of all premiums due this endorsement is attached to and made a part of your Nursery Crop Insurance Provisions subject to the terms and conditions herein. In the event of a conflict between the Nursery Crop Insurance Provisions and this endorsement, this endorsement will control.

**1. Definitions.**

**Field market value A** - In addition to the value of undamaged insurable plants in the definition of "field market value A" in the Nursery Crop Provisions, the value of undamaged insurable upgraded plants based on the upgraded plant prices in the basic unit immediately prior to the occurrence of a loss, as determined by our appraisal.

**Field market value B** - In addition to the value of insurable plants in the definition of "field market value B" in the Nursery Crop Provisions, the value of insurable upgraded plants based on the upgraded plant prices in the basic unit following the occurrence of a loss, as determined by our appraisal, plus any reduction in value due to uninsured causes.

**PIVR** - In lieu of the definition in the Nursery Crop Provisions, the PIVR is your report that declares the value of your plants in accordance with section 6 of the Nursery Crop Provisions and section 4 of this endorsement. The Upgraded Plant Report is incorporated into and made part of the PIVR.

**Upgraded plant** - A plant listed on your upgraded plant report for which you elect to receive an upgraded plant price. Plants of different practices, measurement methods (i.e., container, caliper, or high/wide), or sizes are considered separate upgraded plants.

**Upgraded plant price** - A wholesale price you report on your Upgraded Plant Report that is greater than the price contained in the Plant Price Schedule but is less than or equal to the price in your catalog or price list.

**Upgraded Plant Report** - Your report declaring the value of the upgraded plants in accordance with sections 3, 4, and 5 of this endorsement.

**Verifiable sales records** - Records of sales of plants that contain: (1) the name, address, and phone number of the purchaser; (2) the date of sale; and (3) the complete botanical or common name of the plant(s) sold, number of plants sold, and the actual wholesale price received for each size of plant during the most recent crop year in which sales occurred. Records of sales to yourself or to an affiliated party are not considered verifiable sales records.

**2. Eligibility.**

(a) The Upgraded Plant Report will serve as the application for this endorsement.

(b) To be eligible for coverage under this endorsement, you must:

- (1) Have insurance coverage under the Nursery Crop Insurance Provisions at the additional coverage level.
- (2) Comply with all terms and conditions contained in the Nursery Crop Insurance Provisions and this endorsement.
- (3) Provide an Upgraded Plant Report:
  - (A) With your application for coverage under the Nursery Crop Insurance Provisions; or
  - (B) On or before the sales closing date if you have a carryover policy.
- (4) Have the upgraded plant price approved by us for valuing your upgraded plants at time of application or at time of loss when field market values A and B are determined.
- (5) Have produced and sold the plant at wholesale (see definition of "wholesale" in Nursery Crop Insurance Provisions):
  - (A) For a minimum of two crop years; and
  - (B) At a price equal to or greater than the requested upgraded price during at least one of the three most recent crop years.
- (6) Provide all verifiable wholesale sales records for the most recent year of sales for each upgraded plant, in accordance with section 3, at the time of:
  - (A) Application for any upgraded plant and size that has an upgraded plant price that is at least 50 percent higher than the plant price schedule price for the same plant; or
  - (B) Loss adjustment for insurable damage on any upgraded plant.
- (7) If a plant at a specific size has been sold at varying prices, all sales records at the varying prices must be provided.

(c) We will reject the Upgraded Plant Report or disapprove all or a portion of your upgraded plant prices at time of application or time of loss adjustment if you fail to meet any of the requirements in this endorsement or the Nursery Crop Insurance Provisions.

**3. Upgraded Plant Prices**

(a) Only plants listed on the Upgraded Plant Report that provide all the information required in section 5 will be eligible for upgraded plant

prices.

- (b) If sales records indicate a plant at a specific size was sold at varying prices, the upgraded price will be established based on the price used for the highest quantity of sales.
- (c) If you do not have sales records for the size of the upgraded plant:
  - (1) But have sales records for a plant of the same genus, species, subspecies, variety, or cultivar; practice; and measurement method; and;
  - (2) The upgraded plant's container, caliper, or high/wide size is:
    - (A) Smaller than the container, caliper, or high/wide size listed in your catalog or price list for which you have sales records, the plant's insurable price will be calculated by:
      - (i) Dividing your upgrade plant price for the next larger size of the same measurement method listed on your approved Upgraded Plant Report for which you have sales records by the Plant Price Schedule price for the same measurement method and size of plant; and
      - (ii) Multiplying the result of clause (i) by the Plant Price Schedule price for the smaller-sized plant listed on your Upgraded Plant Report to calculate your factored upgraded plant price.

For example: The Plant Price Schedule Price for an *Acer rubrum* 'Autumn Flame' in a five gallon container is \$18.50. Your catalog and Upgraded Plant Report lists *Acer rubrum* 'Autumn Flame' in five gallon containers for \$24.00, and you have acceptable sales records verifying that upgraded plant price. Your inventory and Upgraded Plant Report includes *Acer rubrum* 'Autumn Flame' in a one gallon container for which you have no sales records. The Plant Price Schedule price for an *Acer rubrum* 'Autumn Flame' in a one gallon container is \$5.00. Your upgraded price for the *Acer rubrum* 'Autumn Flame' in the one gallon container cannot exceed \$6.49 ( $(\$24.00/\$18.50) \times \$5.00$ ).

- (B) Larger than the container, caliper, or high/wide size reported in your catalog or price list for which you have sales records, the plant's insurable price will be the greater of:
  - (i) The upgraded plant price for the largest size (not to exceed the actual plant size) that you reported and we accepted on the Upgraded Plant Report for the same practice

and measurement method for which you have sales records; or

- (ii) The maximum insurable price from the Plant Price Schedule.
  - (d) A partially damaged upgraded plant that has not fully recovered by the end of the crop year in which damage occurs will, for the subsequent crop year, be provided coverage at a reduced value based on either of the following:
    - (1) If you elect this endorsement for the subsequent crop year and submit an upgraded plant price for the plant based on its partial damaged value, the insurable value of the plant will be its reported partial damaged value until it is fully recovered. When fully recovered, the plant will be valued at the full upgraded plant price if a loss occurs.
    - (2) If either you do not elect this endorsement or elect it but do not submit an upgraded plant price for the plant based on its partial damaged value, the insurable value of the plant will be its partial damaged value determined in accordance with section 6(h) of the Nursery Crop Insurance Provisions. When fully recovered, the plant will be valued at the lesser of catalog/price list price or the Plant Price Schedule price if a loss occurs.
    - (3) If sections 3(d)(1) or (2) are applicable, you must submit a revised PIVR when the plant has fully recovered to avoid an under-report factor being applied to an indemnity calculation in the event of loss.
  - (e) The insurable price of a containerized plant is based on container size as determined by the container volumetric chart that is provided in the Special Provisions.
    - (1) The height, width, and caliper measurements of in-ground plants are determined using standard rounding rules.
    - (2) Rounding is not permitted when determining insurability of tree seedlings.
- 4. Coverage.**
- (a) The purpose of this endorsement is to permit you to increase your basic unit values on your PIVR by valuing those plants that qualify as upgraded plants at the upgraded plant price.
  - (b) For the purposes of determining the insurable nursery plant value for each basic unit under section 6 of the Nursery Crop Provisions:
    - (1) In addition to the provisions of section 6(e)(1), the price for each upgraded plant and size will be the upgraded plant price.
    - (2) Section 6(e)(2) is not applicable.
    - (3) In addition to the provisions of section 6(e)(3), upgraded plants will be insurable at the full value based on the upgraded plant price.
  - (c) Except as provided in this endorsement, all provisions of the Nursery Crop Provisions are in

effect and your premium and indemnity will be calculated in accordance with those provisions.

- (d) No upgraded plant price will be used in calculating field market value A or field market value B for any unit if the use of all upgraded plant prices applicable to the unit would cause the under-report factor for the unit to be less than 0.50 for that loss event.
- (e) Coverage under this endorsement will attach the later of the day coverage under the Nursery Crop Insurance Provisions first attaches for the crop year or 30 days after a properly completed Upgraded Plant Report is received by us unless you are notified in writing by us.
- (f) Section 6(f) is not applicable.
- (g) If, at time of loss adjustment, you fail to provide verifiable wholesale sales records (including sales records used to calculate the price of a plant in accordance with section 3(c)), the upgraded plant will not receive the upgraded plant price and the insurable price will be determined in accordance with section 6 of the Nursery Crop Insurance Provisions. However, your PIVR will not be revised to reflect the reduced, insurable plant prices.

#### **5. Reporting Requirements.**

- (a) In addition to the reporting requirements of section 6 of the Nursery Crop Insurance Provisions, you must submit an Upgraded Plant Report for each crop year for this endorsement to be in force.
- (b) If you do not use the Nursery Eligible Plant List and Plant Price Schedule software to develop your Upgraded Plant Report, your Upgraded Plant Report must:
  - (1) Be type-written and legible;
  - (2) Show the name and address of your nursery;
  - (3) Be signed and dated; and
  - (4) Include the following information for each upgraded plant:
    - (A) Complete botanical (genus, species, subspecies, variety, or cultivar) or common name of the plant based on the names listed in the Eligible Plant List;
    - (B) Practice;
    - (C) Measurement method and size;
    - (D) Upgraded plant price or factored upgraded plant price if the upgraded plant's size is smaller than the size listed in your wholesale catalog or price list and you do not have sales records for the smaller sized plant; and
    - (E) Percent difference between the upgraded plant price (or factored upgraded plant price) and the Plant Price Schedule price.